

CORDIC LIMITED

**FILLETED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2019**

CORDIC LIMITED
REGISTERED NUMBER: 04504365

BALANCE SHEET
AS AT 30 NOVEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	4	1,162,953	836,515
Tangible assets	5	1,326,277	1,346,549
Investments	6	802,000	802,000
		3,291,230	2,985,064
Current assets			
Stocks	7	31,038	42,058
Debtors: amounts falling due within one year	8	303,449	196,854
Cash at bank and in hand		146,343	290,014
		480,830	528,926
Creditors: amounts falling due within one year	9	(491,224)	(509,208)
Net current (liabilities)/assets		(10,394)	19,718
Provisions for liabilities			
Deferred tax		(224,128)	(145,372)
Net assets		3,056,708	2,859,410

CORDIC LIMITED
REGISTERED NUMBER: 04504365

BALANCE SHEET (CONTINUED)
AS AT 30 NOVEMBER 2019

	Note	2019 £	<i>2018 £</i>
Capital and reserves			
Called up share capital	10	72,050	<i>72,050</i>
Share premium account	11	144,728	<i>144,728</i>
Capital redemption reserve	11	93	<i>93</i>
Profit and loss account	11	2,839,837	<i>2,642,539</i>
		<u>3,056,708</u>	<u><i>2,859,410</i></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Mr B Van Schriek
Director

Date: 15 May 2020

The notes on pages 3 to 13 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2019**

1. General information

The company is a private limited company limited by shares and is incorporated in England. The address of the registered office is Progress House, Rowles Way, Swavesey, Cambridge, CB24 4UG.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.3 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Deposits are recognised as income when the system installation occurs and represents the cost of the hardware. Rental income is recognised over the course of the contract.

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

2.5 Leased assets: the Company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

CORDIC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2019**

2. Accounting policies (continued)

2.6 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.7 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.8 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

CORDIC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2019**

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.10 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to being non-recurring costs of a temporary nature.

2.11 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Development expenditure	-	5	years
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2019**

2. Accounting policies (continued)**2.12 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	-	2%
Motor vehicles	-	25%
Fixtures and fittings	-	25%
Office equipment	-	25%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.13 Valuation of investments

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.14 Associates and joint ventures

Associates and Joint Ventures are held at cost less impairment.

2.15 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.16 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.17 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.18 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.19 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance Sheet date.

2.20 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.21 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

2.22 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Employees

The average monthly number of employees, including directors, during the year was 38 (2018 - 36).

CORDIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2019

4. Intangible assets

Development
expenditure

£

Cost

At 1 December 2018	1,100,334
Additions - external	86,795
Additions - internal	513,612
At 30 November 2019	<u>1,700,741</u>

Amortisation

At 1 December 2018	263,819
Charge for the year	273,969
At 30 November 2019	<u>537,788</u>

Net book value

At 30 November 2019	<u><u>1,162,953</u></u>
At 30 November 2018	<u><u>836,515</u></u>

CORDIC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2019**

5. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation					
At 1 December 2018	1,522,391	12,403	44,356	27,897	1,607,047
Additions	-	-	5,849	9,957	15,806
At 30 November 2019	1,522,391	12,403	50,205	37,854	1,622,853
Depreciation					
At 1 December 2018	222,560	8,970	8,466	20,502	260,498
Charge for the year on owned assets	18,744	2,895	10,658	3,781	36,078
At 30 November 2019	241,304	11,865	19,124	24,283	296,576
Net book value					
At 30 November 2019	1,281,087	538	31,081	13,571	1,326,277
At 30 November 2018	1,299,831	3,433	35,890	7,395	1,346,549

6. Fixed asset investments

Cost or valuation

At 1 December 2018

802,000

At 30 November 2019

802,000

CORDIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2019

7. Stocks

Stocks

2019
£

31,038

2018
£

42,055

8. Debtors

	2019 £	<i>2018</i> <i>£</i>
Trade debtors	112,702	<i>179,401</i>
Other debtors	166,226	<i>600</i>
Prepayments and accrued income	24,521	<i>16,853</i>
	<u>303,449</u>	<i><u>196,854</u></i>

9. Creditors: Amounts falling due within one year

	2019 £	<i>2018</i> <i>£</i>
Trade creditors	36,914	<i>38,606</i>
Amounts owed to group undertakings	100,663	<i>-</i>
Other taxation and social security	157,207	<i>303,716</i>
Other creditors	33,546	<i>63,970</i>
Accruals and deferred income	162,894	<i>102,916</i>
	<u>491,224</u>	<i><u>509,208</u></i>

CORDIC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2019**

10. Share capital

	2019	<i>2018</i>
	£	£
Allotted, called up and fully paid		
72,050,000 (2018 - 72,050,000) Ordinary B shares of £0.001000 each	<u>72,050</u>	<u><i>72,050</i></u>

11. Reserves

Share premium account

The share premium account records the amount above the nominal value received for shares sold, less transaction costs.

Capital redemption reserve

The capital redemption reserve records the nominal value of shares repurchased by the company.

Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses.

12. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £24,983 (2018 - £13,289). Contributions totalling £6,005 (2018 - £3,249) were payable to the fund at the balance sheet date.

13. Related party transactions

The company recharged expenses of £56,729 (2018 - £100,992) to its associate company. At the year end the company owed £24,741 (2018 - £54,000) to the associate.

The company incurred management charges from its parent company of £111,333 (2018 - £nil) and recharged expenses to the parent of £35,562 (2018 - nil). At the year end the company owed its parent £100,663 (2018 - £nil) which is included within creditors.

14. Controlling party

The Company's parent company is Cordic Group Limited. The ultimate controlling party is Oakfield Capital III LP by way of its majority shareholding in Cordic Group Limited.

CORDIC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2019**

15. Auditors' information

The auditors' report on the financial statements for the year ended 30 November 2019 was unqualified.

The audit report was signed on 18 May 2020 by Paul Tatum (Senior Statutory Auditor) on behalf of Whiting & Partners.